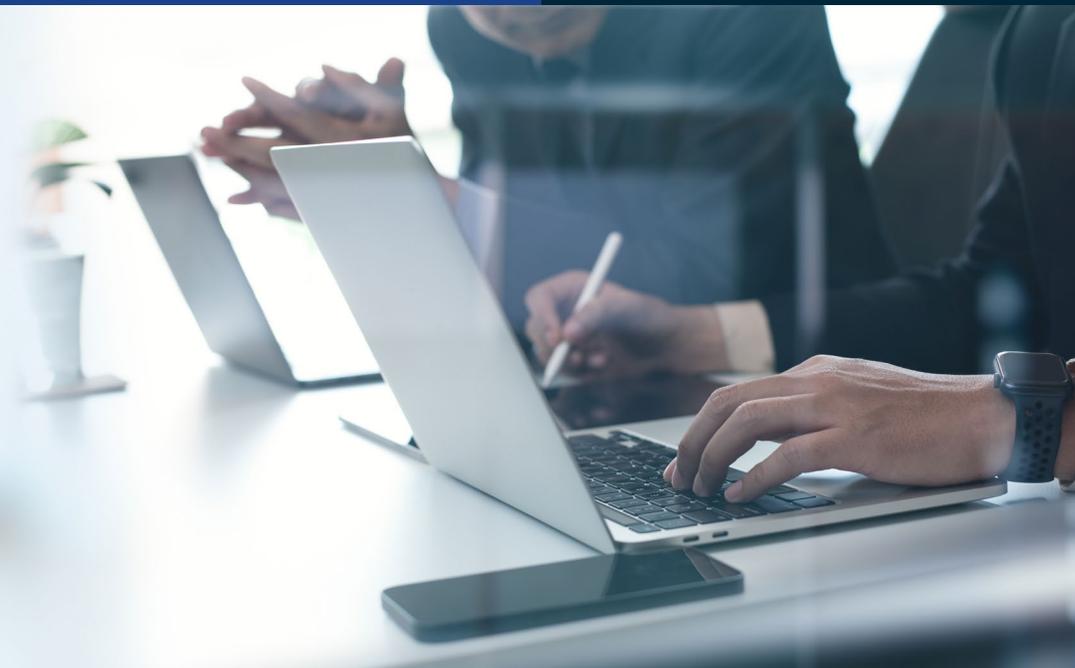


The Littler[®] Annual Employer Survey Report

MAY 2025



Littler[®]

Executive Summary

It has been a turbulent start to 2025 as U.S. employers scramble to adapt to new executive orders, sweeping changes at federal agencies and a growing patchwork of workplace regulations at the state and local levels.

To understand how businesses are navigating these disruptions, Littler surveyed nearly 350 in-house lawyers, business executives and human resources (HR) professionals—36% of whom hold C-suite positions at their organizations. Respondents are based across the U.S. and represent a range of company sizes and industries, including technology, manufacturing, retail, healthcare and hospitality.

The findings illustrate that topics dominating the headlines—including immigration and inclusion, equity and diversity (IE&D)—are creating significant challenges for employers both from a workforce management and legal perspective. These hurdles loom even as expectations of looser regulations in other areas might afford employers some relief.

IE&D SCRUTINY AND IMMIGRATION POLICY EMERGE AS TOP CONCERNS

With the Trump administration’s focus on immigration and IE&D, these are the areas where respondents most expect policy changes will impact their businesses. But the gravity of these impacts may be surprising.

Nearly 85% of employers, for instance, say that changes to workplace regulations and policies surrounding IE&D will impact their businesses during the first year of the Trump administration, followed by changes in the areas of immigration (75%) and LGBTQ+ protections (58%). All other areas we asked about drew selections from fewer than half of respondents.

The business impact carries over to prospective litigation as well: Two of the top three areas of concern are litigation relating to discrimination and harassment claims (63%) and IE&D practices (45%, up from 24% last year). Large organizations—those with over 10,000 employees—are particularly concerned, especially about IE&D-related litigation (60%).

Despite these challenges, 45% of respondents say their organizations are not considering new or further rollbacks of their IE&D programs in response to executive orders issued by the Trump administration. Just over half (55%) are considering changes to some extent, with only 7% doing so to a large extent—generally in keeping with the findings of Littler’s [2025 Inclusion, Equity, and Diversity C-Suite Survey Report](#), which was released in February.

On the immigration front, while employers brace for an expected increase in audits and raids from Immigration and Customs Enforcement (ICE), they could risk underestimating the impact of Trump’s policies on *legal immigration*, which [declined](#) by about 40% during the president’s first term. This could have costly consequences for employers, 58% of whom expressed concern about potential staffing challenges resulting from the administration’s immigration policies.



FEDERAL AGENCY ENFORCEMENT EXPECTED TO LOOSEN, BUT STATES CONTINUE TO DRIVE EMPLOYMENT LAW CHANGE

This year's survey shows that while employers anticipate heightened legal and regulatory scrutiny in some areas, they expect *less* scrutiny in others amid the federal government's shifting priorities.

Under a more management-friendly National Labor Relations Board (NLRB), for instance, employers' level of concern about NLRB enforcement fell considerably, with 56% now anticipating an impact on their businesses over the next year, down from 73% in our 2024 survey. Additionally, fewer than half of respondents expect changes to workplace policy and regulation related to wage and hour / pay practices (43%) and artificial intelligence (AI) use in the workplace (42%) during the first year of the Trump administration.

This is understandable, given that the NLRB's new acting general counsel has rolled back several memoranda issued by his predecessor, while recent executive orders rescinded Biden-era guardrails around AI and minimum wage increases for federal contractors.

State and local policymakers, however, are expected to fill the gap. More than 8 in ten respondents anticipate an increase in legislation and regulation at the state and local levels that will impact their workplaces in the year to come. If 2024 is any indication, this new legislation and regulation could involve AI use in the workplace, bans on employer-sponsored "captive audience" meetings, and increases in minimum wage and paid sick leave, among other key issues.

CHANGING WORKPLACE POLICIES: AI, IN-OFFICE WORK AND EMPLOYEE ACCOMMODATIONS

Two important workplace trends covered in the last few iterations of this report—AI usage and the lasting cultural impacts of the pandemic—continue to evolve in the current landscape.

Nearly a third (31%) of all employers surveyed—and 47% of technology organizations—are increasing or plan to increase their use of AI in the workplace in light of today's more lax enforcement regime and/or anticipation of less-stringent regulation from the Trump administration. That's a stark pivot from 2024, when Littler's [2024 AI C-Suite Survey Report](#) found that 73% of executives said their organizations were *decreasing* their AI usage in HR functions due to regulatory uncertainty. At the same time, 31% of respondents in this year's survey say their organizations still do not have any policies or guidelines to oversee employee use of this technology.

As for employee work schedules, nearly half of respondents whose organizations have positions that can be performed remotely say they have increased in-person work requirements over the past 12 months or are considering doing so. The impact of this ongoing shift appears mixed: On one hand, about half of organizations that have increased their in-office presence say the change has led to subjective improvements, such as improved culture and workplace collaboration. On the other, about a fifth (18%) say they have seen *no positive impacts* from more in-person work, double the share of respondents that say they have seen no negative impacts.

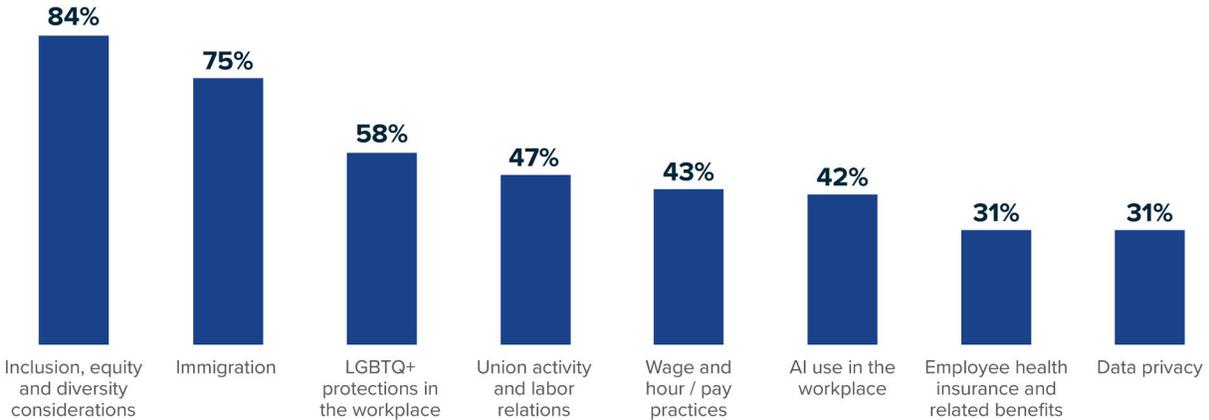
As plans to increase in-office work advance, employee accommodation requests are also rising, often related to remote work or employee mental health. Amid this influx, half of all respondents and 61% of large employers express concern about workplace accommodation lawsuits over the next year.

In the report that follows, we'll address these and other issues in more depth—including analysis of the rise in religious accommodation requests, shifts at federal agencies like the NLRB and the Equal Employment Opportunity Commission (EEOC), and use of non-compete agreements.

The survey questions and their resulting findings do not represent any specific political affiliation or preferences of Littler, nor do they convey or constitute legal advice. For a breakdown of respondent demographics, see the [methodology and demographics section](#).

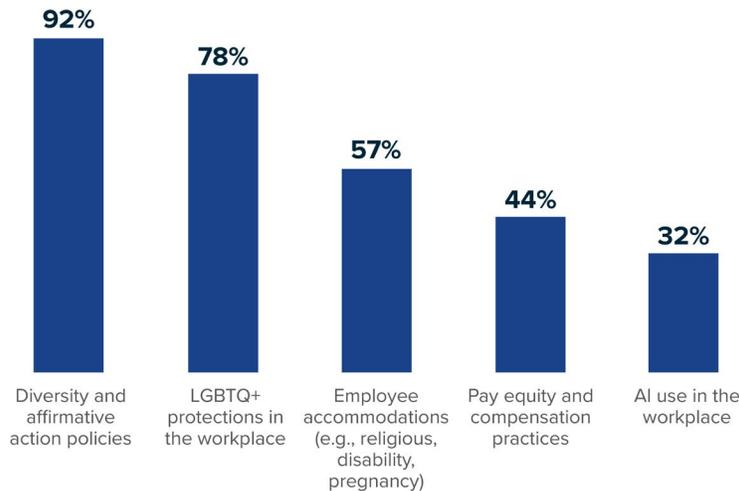
WORKPLACE REGULATION AND POLICY

In which of the following areas do you expect changes to workplace policy and regulation during the first year of the Trump administration that will impact your business? (Select all that apply)



Equal Employment Opportunity Commission

In which of the following areas do you expect EEOC policy changes and regulatory shifts over the next 12 months? (Select all that apply)

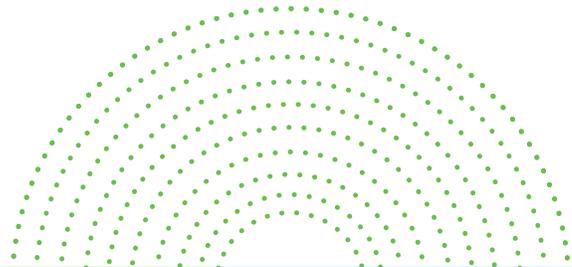


As anticipated, the Trump administration moved quickly to issue executive orders and take actions to shift course on numerous areas of federal workplace policy and regulation.

The areas expected to have the biggest impacts on employers over the next year mirror recent headlines: IE&D considerations (selected by 84% of respondents), immigration (75%) and LGBTQ+ protections in the workplace (58%). Respondents from large organizations have even higher expectations that policy changes will impact their workplaces in the areas of IE&D (93%), immigration (81%) and LGBTQ+ protections (70%). The new administration has already taken several steps to eliminate workplace IE&D efforts, as discussed in more depth [later in this report](#), and has issued several executive orders and directives related to immigration enforcement.

When it comes to IE&D, changes are also emanating from the EEOC. For instance, Andrea Lucas, the Commission's new acting chair, announced that the agency would [rescind](#) several Biden-era efforts to expand LGBTQ+ inclusion. The agency also moved to [dismiss](#) six of its own transgender discrimination cases and [ordered](#) its employees to halt the processing of claims alleging sexual orientation- and gender identity-based discrimination.

Against this backdrop, it is perhaps unsurprising that the vast majority of employers anticipate EEOC policy shifts related to diversity and affirmative action policies (92%) and LGBTQ+ protections in the workplace (78%) in 2025. Fifty-seven percent of respondents—and 65% of those in retail and hospitality—also expect changes impacting employee accommodations (*e.g.*, related to pregnancy, disability or religion). Requests for [religious accommodations in the workplace](#) are likely to rise too, as the new administration and the EEOC have signaled a focus on protecting freedom of religion.



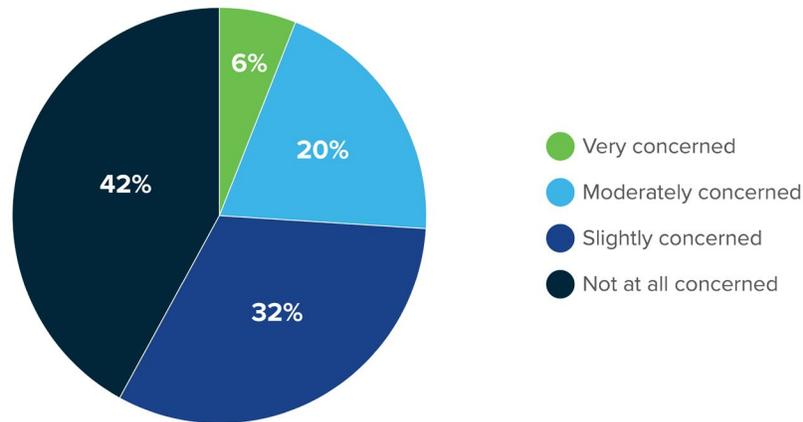
“This year’s survey data shows that employers are closely tracking the news headlines, while also feeling the pressure as regulatory uncertainty in numerous areas continues to build. Though it may be some time before the dust settles, employers would be wise to actively revisit their policies and make strategic adjustments based on where this new regulatory regime is likely to be headed in the months and years to come.”

James A. Paretti Jr.,
co-chair of Littler’s [Workplace Policy Institute®](#)
([WPI®](#)), the firm’s government relations
and public policy arm

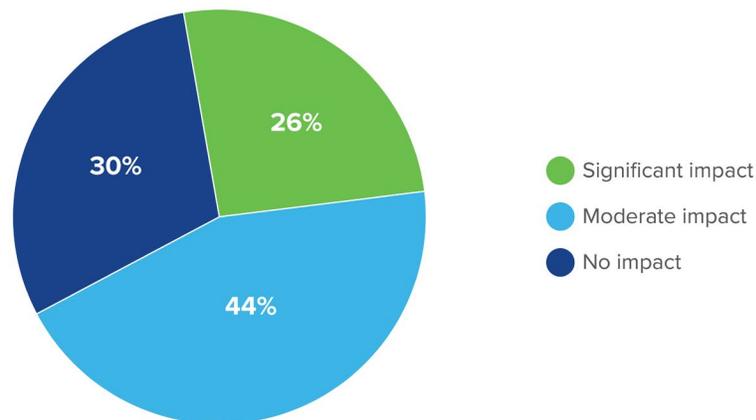


Immigration

To what extent is your organization concerned about workforce staffing challenges as a result of the Trump administration's immigration policies?



How much impact do you expect enforcement by U.S. Immigration and Customs Enforcement (ICE)/Homeland Security Investigations (HSI) and the Department of Homeland Security (DHS), and compliance with their respective requirements, to have on your workplace over the next 12 months?



With many employers bracing for immigration-related workplace policy and regulatory shifts, it is no surprise that 58% expressed some level of concern about potential staffing challenges resulting from these regulatory changes. At the same time, as employers prepare for more raids and other enforcement actions, 70% expect enforcement by ICE/HSI (Homeland Security Investigations) and the Department of Homeland Security (DHS) to have a significant or moderate impact on their workplaces over the next 12 months.

Though employers have reasonable cause for worry—it is [anticipated](#), after all, that Trump 2.0 will increase ICE/HSI I-9 audits to up to 15,000 a year and ICE raids to more than 100 a year—workplace enforcement actions as of the writing of this report have not yet resulted in any *formal* ICE raids of employer worksites. Rather, ICE has engaged in activities like serving administrative warrants and Notices of Inspection/subpoenas that in the coming months will likely ramp up, with ICE raids potentially starting in the next six months.

With ICE in the spotlight, however, employers may be underestimating the impact of Trump 2.0 on *legal* immigration, which [declined](#) by about 40% during the president’s first term and could have costly consequences for employers that are unable to bring in the necessary talent. The administration is already [mulling](#) new travel bans and limiting resources to U.S. consulates, while a recent [executive order](#) requires enhanced vetting of nonimmigrant and immigrant visa applicants—including those sponsored by employers—from certain countries.

These actions will likely lead to visa processing delays, retention challenges and added costs for employers with foreign workers. For example, should an employee travel abroad for work or personal reasons, it may take more time (and money) to secure a visa to travel back to the U.S.—if it is issued at all.

Further complications arise given regulatory uncertainties involving visa applications. For instance, the Trump administration [plans](#) to eliminate the two lowest wage levels for H-1B and employment-based green card holders, which would exclude most foreign-born graduates from these job opportunities.

In sum, compliance and workforce staffing hurdles will likely increase across all areas of employment-based immigration. This will only exacerbate domestic workforce [shortages](#) caused by skills gaps, the retirement of older workers and technology-related disruption, among other factors.

Employers in manufacturing and retail/hospitality were most concerned about the Trump administration’s immigration policies. Immigration topped the list of policy changes that manufacturers most expect to impact their businesses over the next year (83%, compared with 75% of all employers). For retail/hospitality employers, 89% expect enforcement by ICE and DHS to have a significant or moderate impact on their workplaces (compared with 70% of all employers).

Additionally, large employers are more concerned than their counterparts about ICE/DHS enforcement (84% expect a significant or moderate impact on their workplaces) and workforce staffing challenges (69% expressed concern, versus 58% overall).

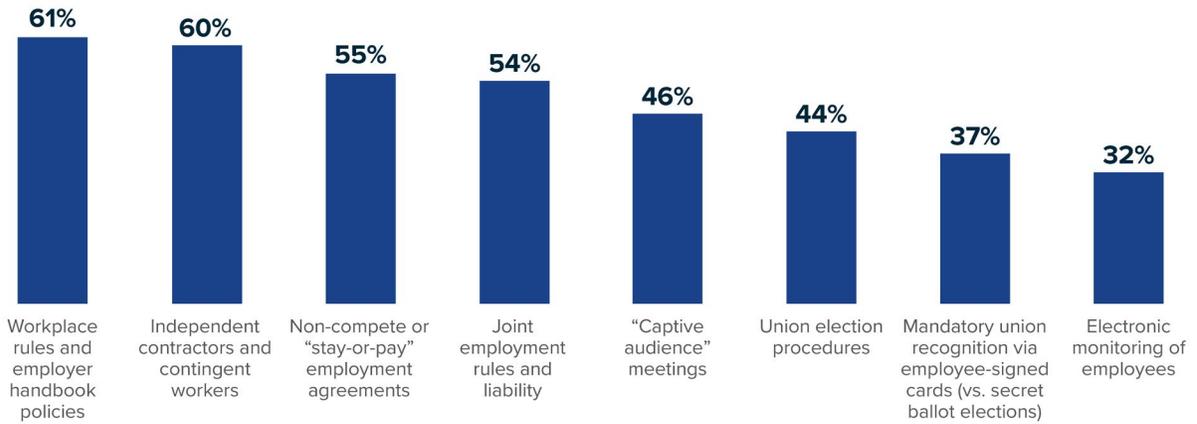
“With the expected uptick in worksite enforcement, it is important for employers to proactively conduct reviews to check that I-9 forms are up to date, that they know where they’re located, and that there is a crisis management team in place in the event of a site visit from ICE or another government agency. At the same time, businesses should be cognizant of changing policies on legal immigration, including stricter eligibility criteria for employment-based visas and the risk of travel restrictions, and the resulting challenges to maintaining a steady workforce to meet business objectives.”

Jorge R. Lopez,
Littler shareholder and chair of the firm’s
Immigration and Global Mobility Practice Group

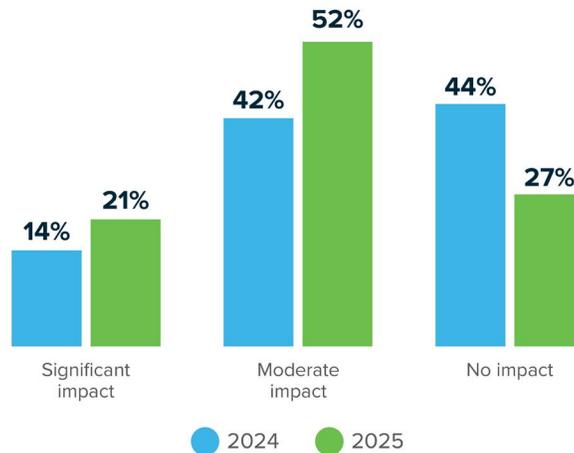


National Labor Relations Board

In which of the following areas do you expect NLRB policy changes and regulatory shifts over the next 12 months? (Select all that apply)



How much impact do you expect enforcement by the NLRB, and compliance with the Board's requirements, to have on your workplace over the next 12 months?



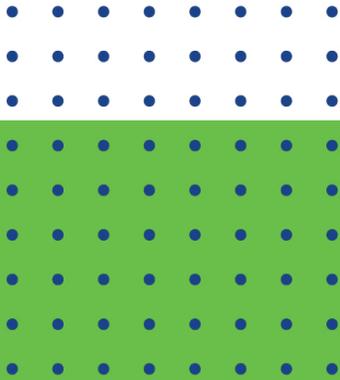
Under a more management-friendly NLRB, fewer than half of respondents believe that changes to workplace policy and regulation related to union activity and labor relations (47%) will impact their businesses over the next year.

Employers have already witnessed changes on the labor relations front that will likely relax enforcement activity. In the first few months of 2025 alone, the new NLRB acting general counsel [rolled back](#) numerous memoranda issued by his predecessor, including those dealing with mandatory work meetings regarding labor issues, non-compete agreements and rights of student-athletes.

Over half of respondents expect NLRB policy shifts on workplace rules and employer handbook policies (61%), independent contractors and contingent workers (60%), non-compete agreements (55%), and joint employment rules (54%) in the next 12 months. Only 46% anticipate changes related to “captive audience” meetings, which the NLRB [restricted](#) last November—rejecting a decades-old precedent allowing mandatory employer meetings on the topic of unions—and which have also been banned or restricted in a number of states. However, the percentage of those anticipating changes in this area rises to 60% for large employers.

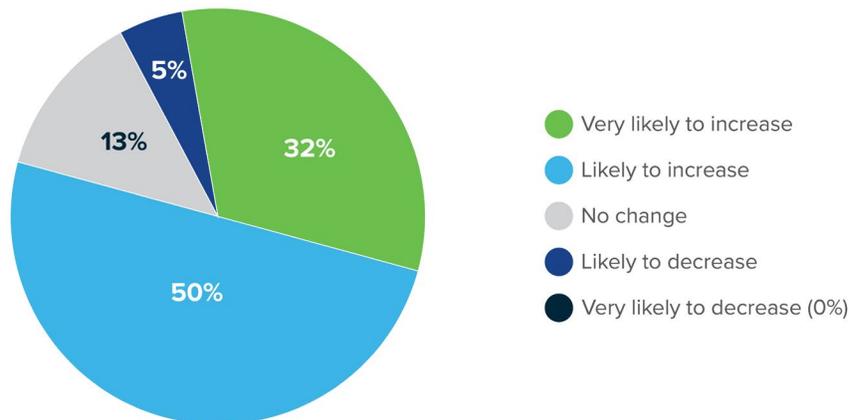
Some uncertainty—and consequent inaction—may persist given ongoing court battles surrounding President Trump’s removal of NLRB member Gwynne Wilcox. In April, the U.S. Court of Appeals for the D.C. Circuit [ruled](#) that Wilcox will return to work while she challenges her removal, reversing a prior decision by a three-judge panel on the same court. This latest decision puts the Board back to three active members, which allows it to resume normal operations with a reconstituted quorum. But the decision is unlikely to be the last word, as the case will inevitably be presented to the U.S. Supreme Court.

A higher percentage of employers in the retail/hospitality industry (71%) and large organizations (58%) expect changes over the next year to union activity and labor relations policy to impact business. Yet broadly speaking, concern about NLRB enforcement fell significantly from last year, with nearly half (44%) of employers surveyed in 2025 expecting no impact on their business, compared to 27% in 2024.



State and Local Legislation

In the states in which you operate, to what extent do you expect a change in legislative activity and regulations impacting the workplace at the state and local levels over the next 12 months?



As President Trump’s executive orders impacting workplace policy spur legal challenges and federal legislative gridlock continues, states and localities will likely pick up the slack. More than 8 in ten respondents expect an increase in legislative activity and regulations impacting the workplace at the state and local levels over the next 12 months. Just 5% say it is likely such activity will decrease over the next year, and none say that is very likely. Among large organizations, 93% expect to be impacted by state and local legislative activity.

Key areas to watch include ongoing efforts to raise the minimum wage and allow employees to earn paid sick leave, as well as [legislation](#) aimed at mitigating the risk of an employer’s use of AI systems resulting in algorithmic discrimination.

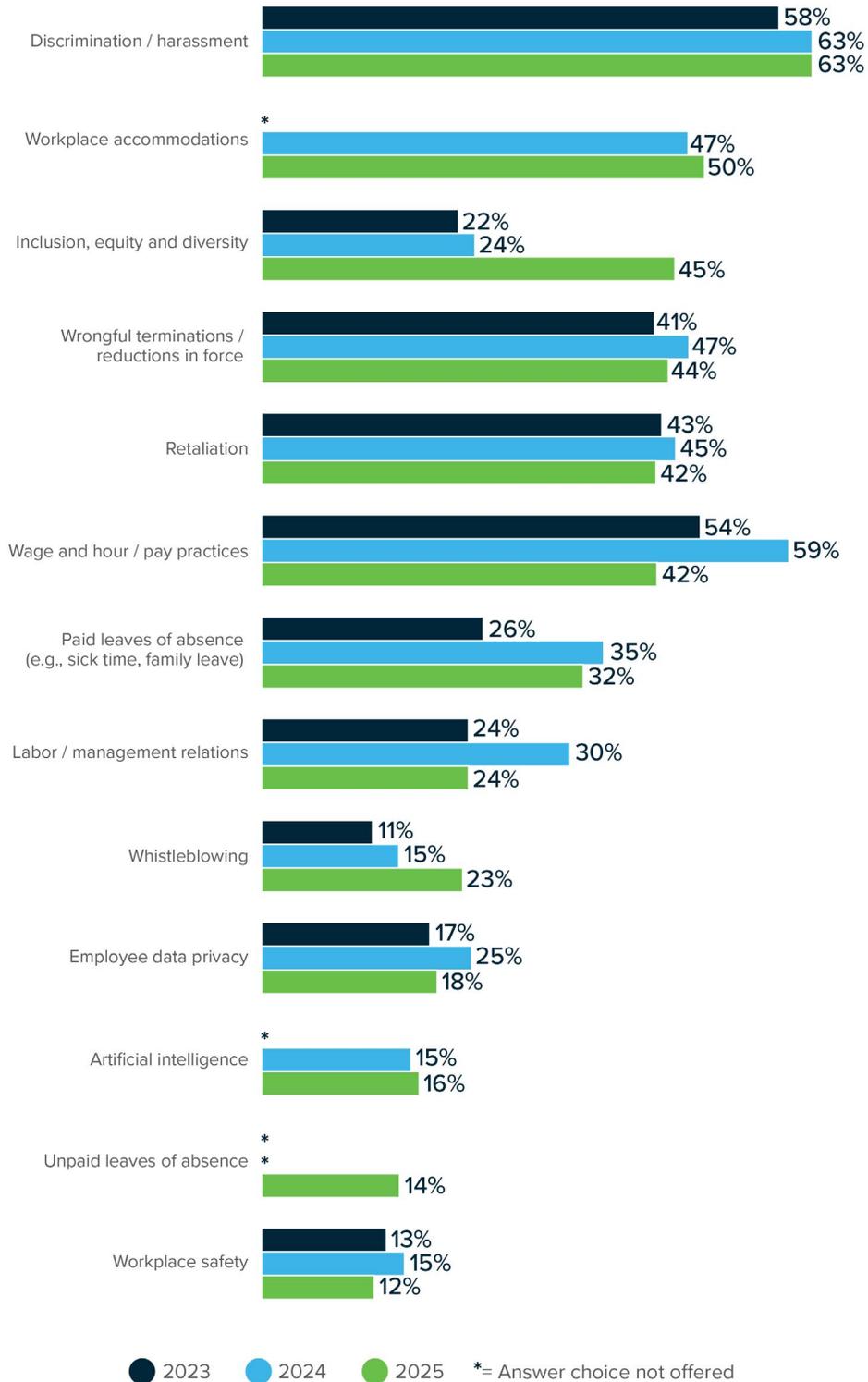
“From AI to LGBTQ+ rights to wage and hour practices, state and local policymakers across the country are increasingly introducing regulation that is in tension with federal law. As employers wait for the courts to provide clarity, they must navigate complex compliance challenges, which in turn requires staying hyper-vigilant about monitoring new developments and maintaining best practices.”

[Shannon Meade](#),
Executive Director of Littler’s
Workplace Policy Institute



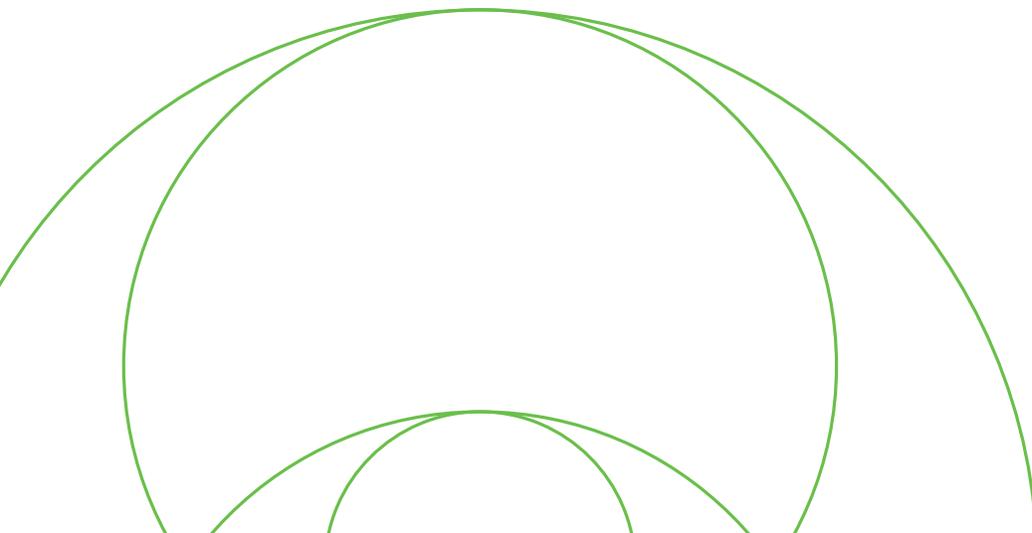
Workplace Litigation

In which of the following areas is your organization concerned about employment-related litigation over the next 12 months? (Select all that apply)



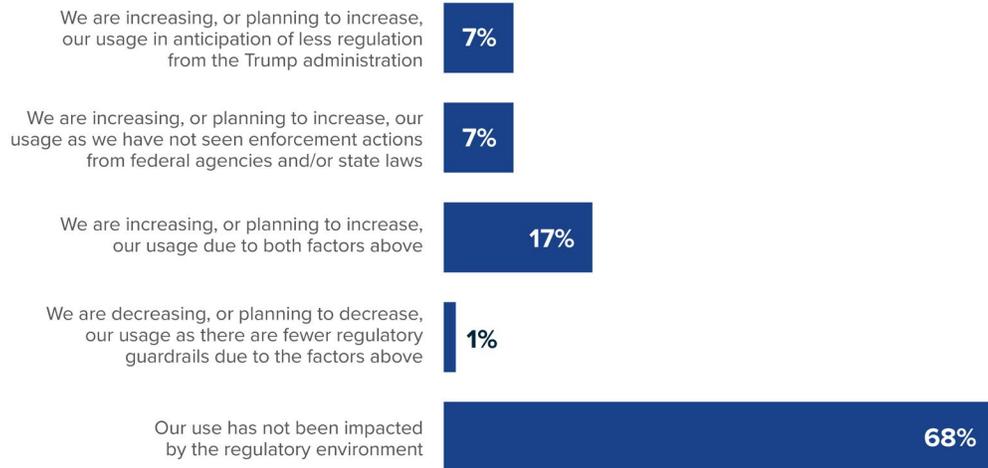
Regulatory shifts could also lead to increases (or decreases) in employment-related litigation, depending on the area. Given where the new administration's policy priorities currently lie, employers are understandably most concerned about disputes related to discrimination/harassment (63%), workplace accommodations (50%), and IE&D (45%, up from 24% last year). Substantially fewer reported concern about litigation involving wage and hour/pay practices (42%, down from 59% in 2024), labor/management relations (24%, down from 30%) and employee data privacy (18%, down from 25%).

Technology industry respondents are more concerned about whistleblowing-related litigation (33%) than their counterparts, though less worried about workplace accommodations (42%) and wage and hour (31%) litigation. Nearly two-thirds of manufacturers (62%) are concerned about litigation involving workplace accommodations, while 59% of retail and hospitality respondents are concerned about wage and hour litigation and about a quarter (26%) said the same about workplace safety litigation. Large organizations are generally more concerned across the board, especially as it relates to litigation involving workplace accommodations (61%) and IE&D (60%).

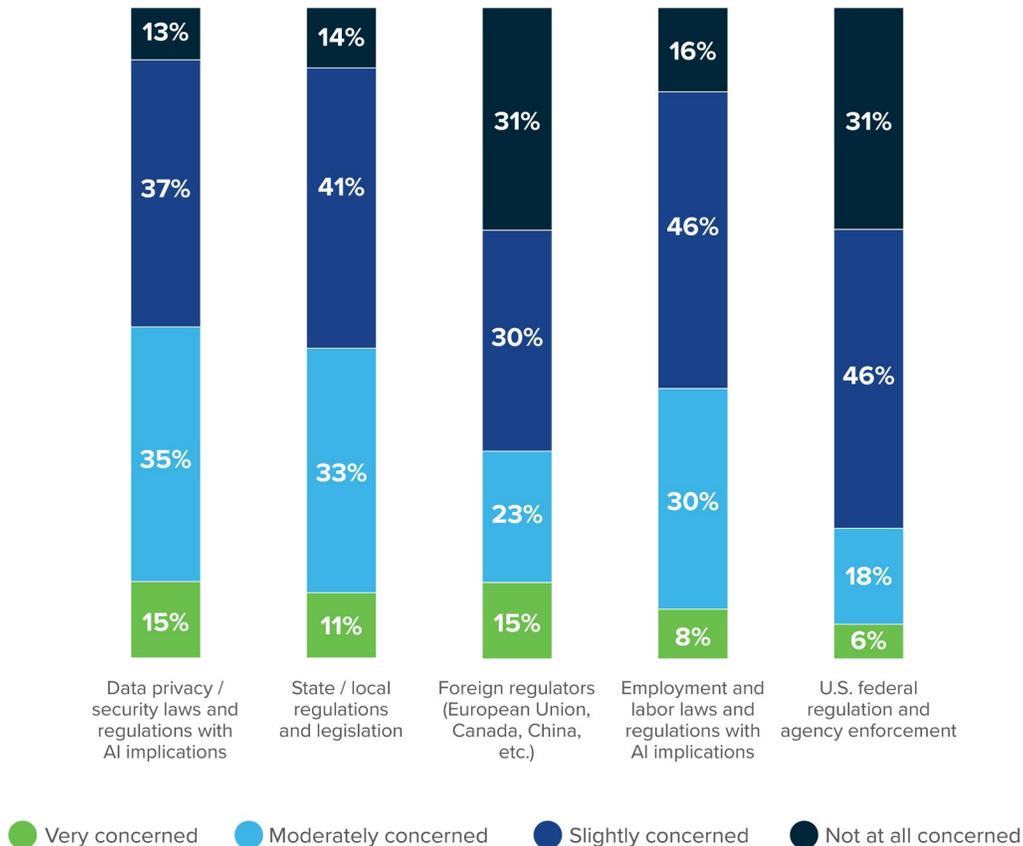


AI IN THE WORKPLACE

Which of the following best describes any changes in your organization's approach to AI use in the workplace as a result of the current regulatory landscape?



To what extent is your organization concerned about regulatory oversight and/or enforcement actions from each of the following as it relates to your use of AI to assist with employment-related processes?



Nearly a third (31%) of all employers—and 47% of technology organizations—are increasing, or planning to increase, their use of AI in the workplace in light of today’s more lax enforcement regime and/or anticipation of less-stringent regulation from the Trump administration. That’s a stark reversal from Littler’s [2024 AI C-Suite Survey Report](#), which found that 73% of executives were *decreasing* their organization’s AI usage in HR functions due to regulatory uncertainty (see page 16).

President Trump has certainly given AI developers and users the green light. On his first day in office, Trump [signed](#) an executive order rolling back safety testing rules for AI; this was quickly followed by another executive order [asking](#) industry leaders for suggestions on how to “sustain and enhance America’s global AI dominance.” More recently, the administration announced plans to scale back the Department of Justice (DOJ)’s use of the disparate impact theory in bringing bias suits, which could [reduce](#) the level of risk for businesses that leverage AI to help automate recruitment and hiring.

Coupled with the administration’s general posture towards racial- and gender-based discrimination, employers understandably expect fewer regulatory hurdles associated with discrimination and bias, which in turn will likely lower the cost and administrative burden of using AI tools. That only 16% of respondents are concerned about [employment-related litigation](#) involving AI underscores this point.

Yet despite the lack of federal enforcement thus far, states are attempting to fill the regulatory gap, which perhaps explains why there weren’t even more respondents saying they expect to increase their AI usage. According to a [database](#) from the National Conference of State Legislatures (NCSL), 31 states, Puerto Rico and the Virgin Islands adopted resolutions or enacted legislation regarding AI last year. As of March 22, 2025, NCSL has [identified](#) 570 AI-related state bills introduced in 2025 and 10% of those bills, representing 17 states, would impact AI use in the workplace.

This state of play aligns with respondents’ concerns about regulatory oversight and enforcement actions related to the use of AI in employment-related processes. Just about a quarter say they are very (6%) or moderately (18%) concerned with U.S. federal regulation and agency enforcement in this capacity—the least of any area we asked about. Amid a growing patchwork of state laws, respondents are most concerned about data privacy/security laws (50% are very or moderately concerned) and state/local regulations (44%) when using AI this way.

While just 38% say the same about foreign regulators—perhaps underestimating the impact of the [European Union’s AI Act](#)—51% of large organizations are at least moderately concerned in this regard, suggesting heightened awareness of current risks among organizations with a broader reach.

“Employers should be considering the latest regulatory and legislative developments related to AI at the state and local levels. After all, this patchwork will increasingly pose compliance hurdles and litigation risk. Adding to the challenge is the fact that states are creating different rules for different stakeholders, as well as their own definitions of AI itself. Navigating this new regulatory landscape will require careful and diligent assessments of AI use in employment processes.”

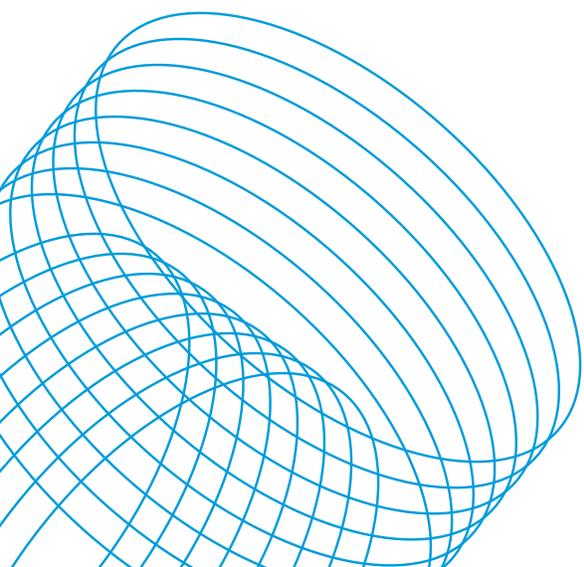
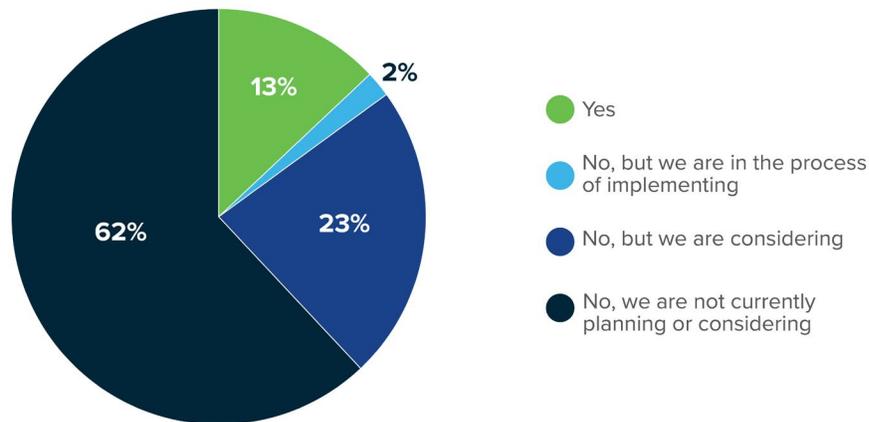
Marko Mrkonich,
Littler shareholder and a core member of the
firm’s AI and Technology Practice Group



Which of the following best describes your organization's policy for employee use of AI for work functions?



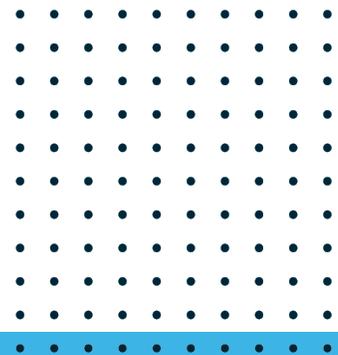
Does your organization use AI technology to help track or monitor employee activity and/or performance (such as tracking log-in times, keystrokes, overall computer activity, work patterns, etc.)?



Given the applicability of data privacy and cybersecurity laws on AI use, some organizations may feel their existing policies in this area are sufficient to govern employee use of AI tools. Fourteen percent of respondents explicitly say they address employee use of AI through such policies, while another 5% say they adapted existing workplace policies to cover AI use. However, 31% say they still do not have any such policies or guidelines in place, while roughly half have created a specific policy (38%) or developed guidelines (13%). That 70% have some sort of policy or guidelines in place suggests an increase from Littler’s 2024 AI C-Suite Survey Report, which found that 44% had an established policy for the use of *generative* AI in the workplace (see page 4 [here](#)).

While technology respondents are more likely to have created a specific policy (66%, compared with 38% of all respondents), just 23% of retail/hospitality respondents have done the same. These two industries are also using AI to track/monitor employee performance at higher rates than their counterparts: 23% of retail/hospitality respondents—and 18% of technology industry respondents—are currently doing so, compared to 13% overall. For the former, this heightened use might be driven by efforts aimed at improving already tight margins for certain employee salaries; technology companies, meanwhile, may simply be more likely to adopt new technology tools.

Overall, 25% of all respondents say they are either in the process of implementing AI tools to monitor employees or considering doing so. Sixty-two percent aren’t planning or considering doing so at all. This reflects, perhaps, some hesitation as employers learn more about these tools: For example, our 2023 Employer Survey found a higher percentage (58%) were using (or considering using) software tools or surveillance technologies to track and monitor employee activity (see page 21 [here](#)). At that time, employers identified a range of concerns in using monitoring technology, including the impact on employee morale and privacy law compliance (each noted by 65% of respondents).



“Even as federal enforcement actions wane, the lack of specific policies governing employee use of AI could pose a multitude of other risks for employers—from intellectual property loss to reputational damage to declines in the employee and customer experience. It’s important, then, that AI governance be the provenance of not just IT but several other functions within an organization, including leaders who understand IP, privacy, the procurement cycle and broader legal and employee-side risks.”

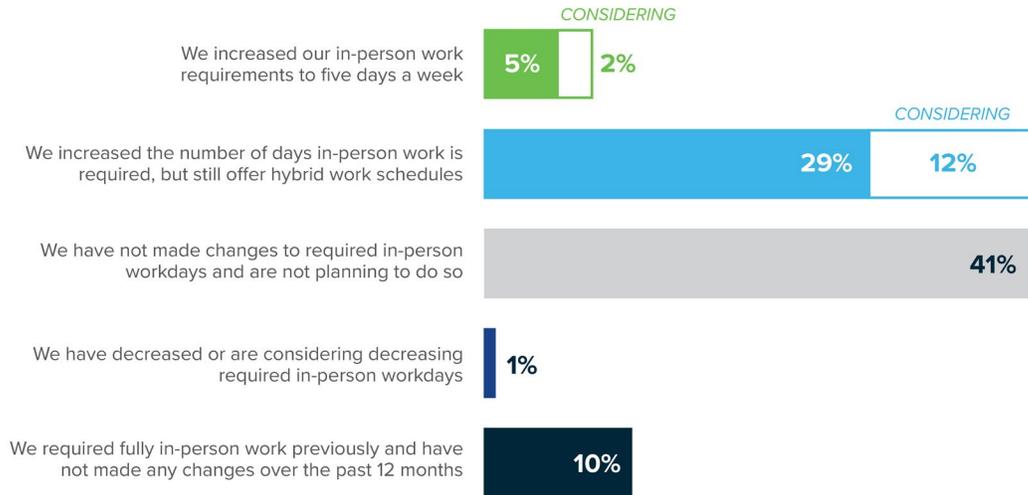


[Niloy Ray](#),
Littler shareholder and a core member of the
firm’s [AI and Technology Practice Group](#)

LEAVES, ACCOMMODATIONS AND RTO

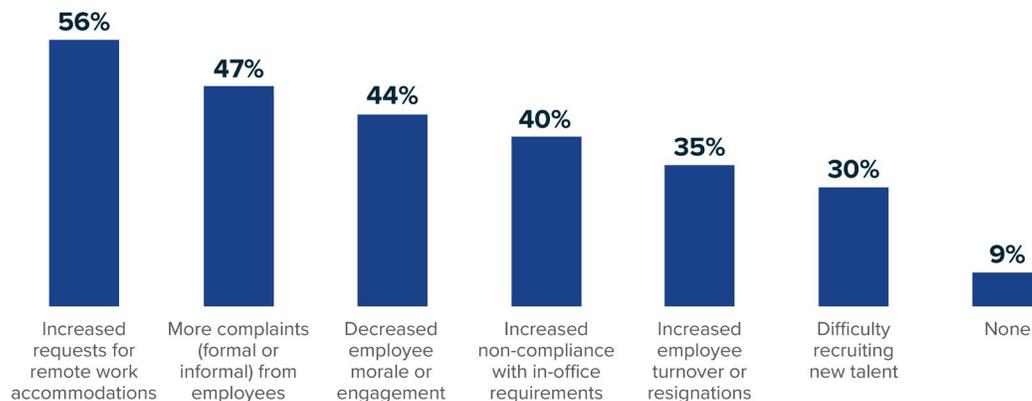
Which of the following best describes any changes your organization has made over the past 12 months to the number of days that employees are required to work in person at a fixed worksite or office?

Respondents answered this question only with regard to positions that can be performed remotely. This question was not asked to those who do not have positions where employees can work remotely or those who allow employees to work exclusively remotely.



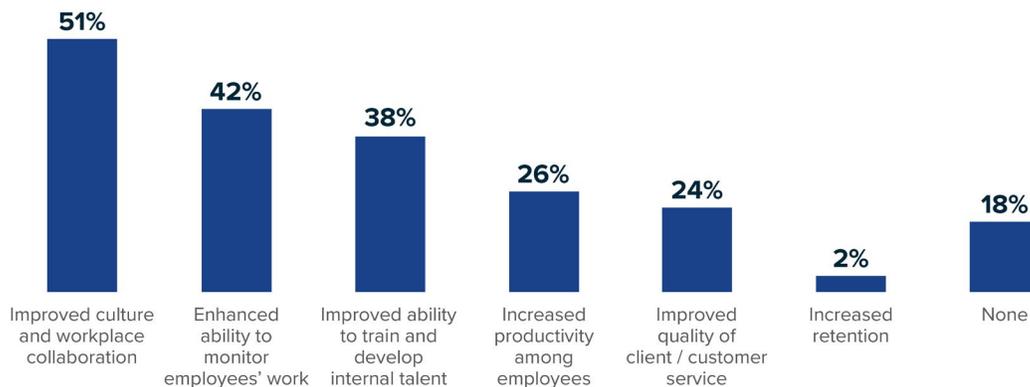
Which of the following negative impacts has your organization experienced as a result of increasing the number of required in-person workdays? (Select all that apply)

Asked to those who have increased in-person work requirements (either to five days a week or while still offering hybrid work schedules).



Which of the following positive impacts has your organization experienced as a result of increasing the number of required in-person workdays? (Select all that apply)

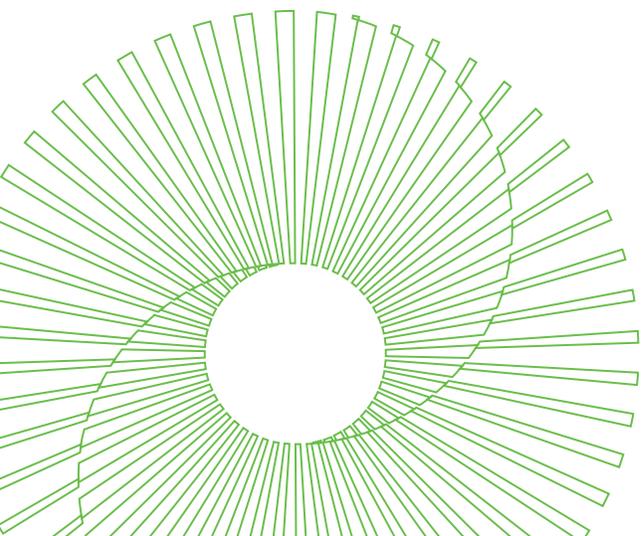
Asked to those who have increased in-person work requirements (either to five days a week or while still offering hybrid work schedules).



More than five years after COVID-19 forced a paradigm shift in workplace norms, many employers are once again (or in some cases, still) making a concerted push for in-person work.

Nearly half of respondents whose organizations have positions that can be performed remotely say they have increased in-person work requirements over the past 12 months or are considering doing so. Most are focused on increasing the number of required in-person workdays within their hybrid schedules, with 29% having already done so and 12% considering such a change. Five percent of employers surveyed have gone even further and returned to in-person work five days a week—joining the 10% who are already requiring fully in-person work. Large organizations appear to be even more concentrated on in-person work, with 47% saying they are increasing or planning to increase the number of such days within their hybrid schedules (compared with 41% overall).

While another 41% have maintained their hybrid schedules and are not planning to make any changes, the accelerating return-to-office push has brought [new mandates](#) from major companies across various industries, as well as a [January order](#) from President Trump terminating remote work for federal employees. Other recent surveys underscore this shift: a February [McKinsey](#) report, for instance, revealed that the percentage of employees who say they are working mostly in person doubled from 34% in 2023 to 68% in 2024.



Among our survey respondents whose organizations have increased their in-office requirements, 51% say they believe that the change has led to an improved culture and better workplace collaboration. Many also point to hands-on workforce management benefits, from an enhanced ability to monitor employees' work (42%) to better employee training and development opportunities (38%). Yet improved employee productivity—an oft-cited reason for calling remote employees back to their desks—has only materialized for about a quarter (26%) of this group, and many of the other measures organizations value remain difficult—if not impossible—to measure.

Notably, nearly 1 in 5 (18%) of those who have increased their in-office presence say they have seen *no positive impacts*—double the share that say they have seen no negative impacts from this change (9%). Commonly reported drawbacks, such as more complaints from employees (47%), decreased employee morale and engagement (44%) and increased non-compliance with in-office requirements (40%), indicate that this policy change presents ongoing workforce management challenges for employers. It also poses talent recruitment and retention problems: Roughly a third of this group says that more in-office requirements have led to increased employee turnover (35%) and difficulty attracting new talent (30%), as remote work options remain the expectation for many employees and candidates.

The most frequently cited negative consequence of requiring more in-person work, however, is increased requests for remote work accommodations (56% across all respondents, and 65% for large employers). Managing such requests can be time-intensive and fraught with both legal and practical risks, making it particularly important for companies to understand their legal obligations and [insights from recent court cases](#) when evaluating accommodation requests under the Americans with Disabilities Act (ADA), Pregnant Workers Fairness Act (PWFA) and/or similar state or local laws.



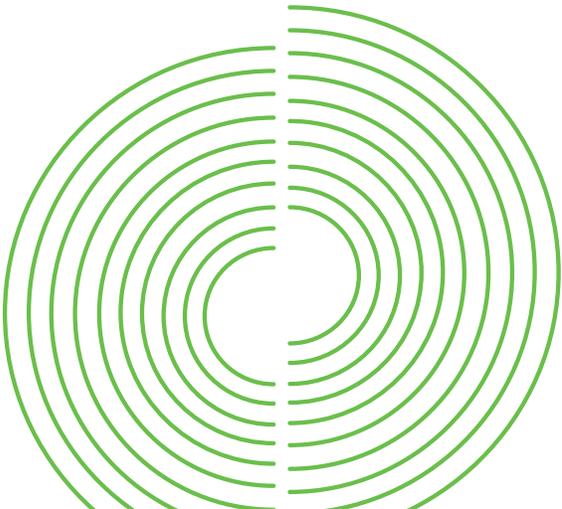
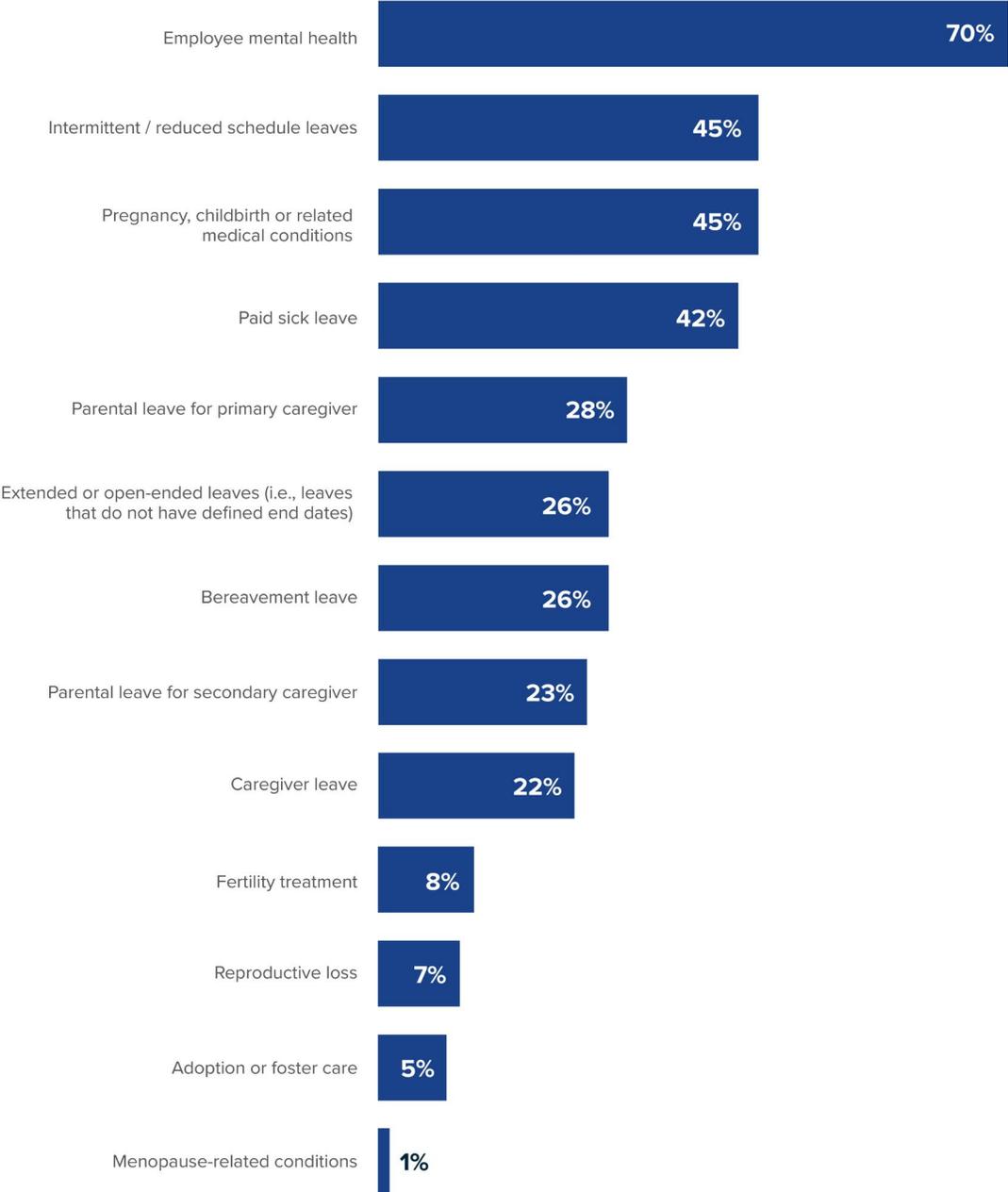
“The pandemic not only led to a fundamental transformation in employees’ expectations for remote work, but it changed the way the people view the essentiality of in-person work. For companies looking to increase in-office work, it’s important to have a plan in place for the likely influx of remote work requests. In managing these requests and communicating processes, it’s also important to distinguish between legal obligations to provide reasonable accommodations to employees with disabilities under the ADA or PWFA—such as mental or physical health conditions—and employee requests for flexibility for other personal reasons that do not involve a legally binding accommodation obligation.”



[Alexis C. Knapp](#),

Littler shareholder and co-chair of the Leaves of Absence and Disability Accommodation Practice Group

In which of the following areas has your organization received increased requests for leaves of absences and/or accommodations over the past year? (Select all that apply)

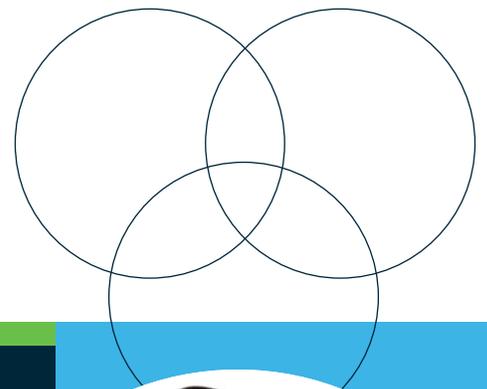


Amid the ongoing focus on mental health in the workplace, the majority of respondents (70%) are also seeing increased requests for leaves of absences and/or accommodations related to mental health conditions. This builds on the already high percentage of employers (74%) who were seeing an increased volume of such requests in our 2024 survey (see page 25 [here](#)).

Evaluating mental health-related requests poses unique challenges for employers, especially when these situations overlap with employee relations or performance issues. The stakes are also high. Missteps can leave companies vulnerable to litigation, and courts and agencies continue to expand the definition of a “reasonable accommodation.” While each request comes with its own set of considerations, employers can focus on putting processes in place to promptly address requests and work with employees and their health care providers to determine whether reasonable accommodations can be made under the ADA or other laws, and/or whether employees are eligible for job-protected leave under the Family and Medical Leave Act (FMLA).

A large share of respondents also note increases in requests for intermittent/reduced schedule leaves (45%) and extended/open-ended leaves (26%). These types of leaves—which often come without much notice, occur at irregular intervals and/or do not have defined end dates—can be particularly difficult for businesses to manage. Challenges include determining whether the FMLA applies to specific requests (or even particular dates within a request), training managers on what questions they should and shouldn’t ask and maintaining adequate staffing and operations when absences are unpredictable.

Given the influx of accommodations requests, it follows that 50% of all respondents and 61% of large employers express concern about workplace accommodations lawsuits over the next year—the second most prevalent area of concern for employment-related litigation. Relatedly, some employers are worried about the prospect of cases pertaining to paid (32%) and unpaid (14%) leaves of absence.



“It’s clear that mental health remains a serious problem impacting the American workforce, as requests for accommodations and leaves of absence continue to rise dramatically year after year. Employers must anticipate and address these challenges, which are not going away any time soon.”

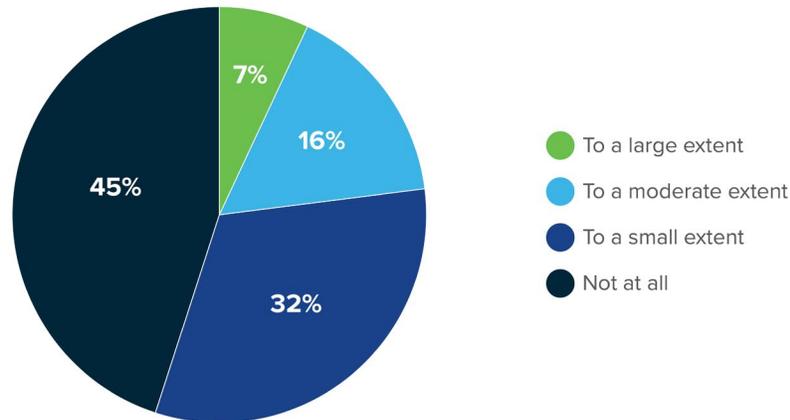
Devjani H. Mishra,
Littler shareholder



INCLUSION, EQUITY AND DIVERSITY (IE&D)

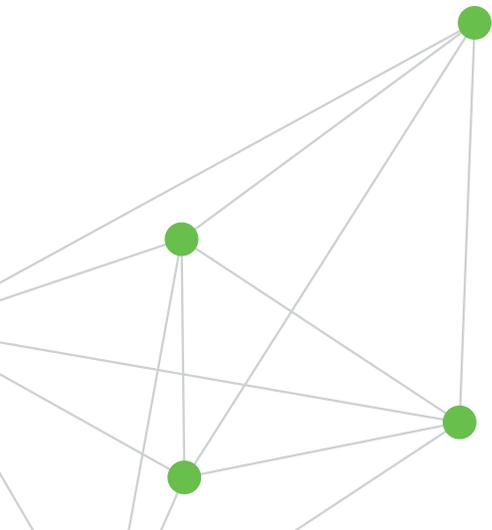
To what extent is your organization considering new or further rollbacks of your inclusion, equity and diversity (IE&D) programs and policies as a result of executive orders issued by the Trump administration?

This question was only asked to those with an IE&D program in place.



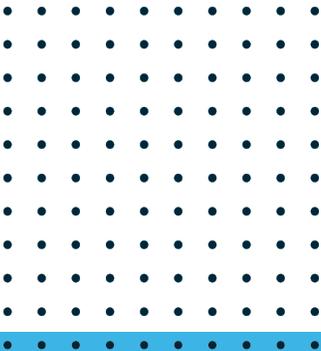
During his first 100 days in office, President Trump launched a wide-ranging campaign aimed at dismantling IE&D initiatives across the federal government and private sector. Just days into his second term, Trump signed [executive orders](#) to end IE&D programs in the federal government, reverse long-standing affirmative action requirements for federal contractors, and instruct federal agencies to identify private sector targets for IE&D investigations.

Despite the significant challenges employers face regarding [policy changes](#) and [litigation risk](#), 45% of respondents say their organizations are staying the course and not considering new or further rollbacks of their IE&D programs in response to executive orders issued by the Trump administration. Just over half (55%) are considering changes to some extent, with only 7% doing so to a large extent. Even among large employers, which may be more likely targets for federal probes and scrutiny, the share of those considering changes is only 10 percentage points higher than the overall respondent pool (with 65% of large companies saying they are considering changes to some extent).



This data, captured between late February and mid-March of 2025, is generally consistent with the findings of Littler’s [2025 Inclusion, Equity, and Diversity C-Suite Survey Report](#), suggesting corporate commitment to IE&D programs has not changed much since the latter survey was conducted earlier this year (late January to early February). Of the C-suite leaders who completed our IE&D survey just after Inauguration Day, 51% were considering changes to their IE&D programs to some extent as a result of the Trump administration’s executive orders, with just 8% seriously considering changes. Six in ten said they were waiting for further details on the new administration’s priorities—including enforcement mechanisms—before making modifications.

[Legal challenges](#) to Trump’s executive orders have delayed such certainty; however, guidance is starting to come from federal agencies. In late March, the EEOC shed some light on what could constitute “illegal” IE&D via [technical assistance documents](#) on discrimination related to IE&D at work, one of which was jointly issued with the DOJ. This is likely just the first step: More than 9 in ten employers surveyed expect EEOC policy changes to diversity and affirmative action policies over the coming year.



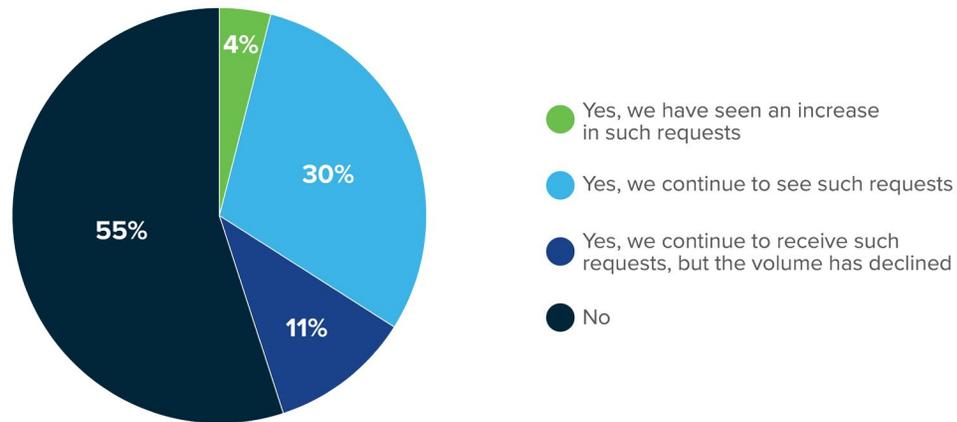
“With IE&D programs facing existential threats and unprecedented scrutiny from federal agencies, we’re seeing many employers wisely step back and analyze their IE&D practices with an eye toward compliance and effectiveness. Yet even as some organizations modify their programs in response to the administration’s priorities, it’s unlikely that IE&D will disappear any time soon. It remains an important talent recruitment and retention strategy at many organizations.”

[Jeanine Conley Daves](#),
Littler shareholder and member of the firm’s
Inclusion, Equity and Diversity Consulting Practice

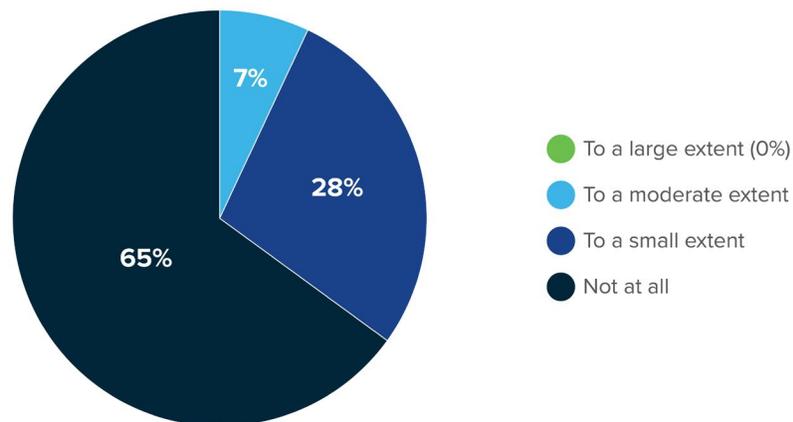


RELIGION IN THE WORKPLACE

Has your organization received religious accommodation requests from employees over the past year to adjust work requirements / environments to allow for the practice of religious beliefs?



To what extent has your organization seen conflicts arise in the workplace between employees' religious beliefs and IE&D-related initiatives (for example, between LGBTQ+ employees and those with religious beliefs that do not recognize same-sex relationships, transgender individuals, etc.)?



Religious expression issues have entered the workplace in unprecedented ways in recent years, including religious exemption requests associated with COVID-19 vaccine mandates, challenges to workplace inclusion efforts involving the rights of LGBTQ+ individuals, and claims of antisemitism and Islamophobia lodged against individuals with opposing viewpoints following the Oct. 7 attack on Israel and the resulting war in Gaza. Attempting to reconcile differences of those with vastly differing worldviews can put employers in a tough position as they strive to provide an inclusive and legally compliant workplace.

Roughly 35% of employers say they have recently experienced conflict between employees seeking accommodation of their religious beliefs and IE&D-related initiatives in the workplace. For large employers (those with over 10,000 employees) and companies in the retail/hospitality industry—where interacting with the public is an essential job function—that share rises to 50% and 47%, respectively.

More workplace conflict may be on the horizon as the new administration, particularly the EEOC, prioritizes claims implicating religious protections. Within weeks of taking office, President Trump created a [White House Faith Office](#) and issued executive orders aiming to eradicate what the administration perceives as [anti-Christian bias](#) and [antisemitism](#).

Over the past year, nearly half (45%) of employers—and 69% of large employers surveyed—have received religious accommodation requests. Seven in 10 respondents in the retail and hospitality industries report receiving such requests over the last year.

Although an employer need not grant accommodations where doing so would impose an undue hardship on its business, employers are more likely to need to make religious accommodations after the U.S. Supreme Court heightened the standard for demonstrating undue hardship in its 2023 [Groff v. DeJoy](#) decision. Following *Groff*, employers can deny religious accommodation requests only if they can demonstrate the accommodation would result in “substantial increased cost” to their operations. This is a considerable shift from the previous interpretation of the standard, which found employers could deny accommodations that would impose more than a “*de minimis*” cost.

Overall, while the volume of requests for religious accommodations appears to have stabilized since the end of most COVID-19 vaccine mandates—with just 4% of respondents reporting an increase—employers are likely to see other types of religious accommodation requests ramp up during the second Trump administration.

“Religious expression in the workplace can present thorny challenges for employers as they attempt to balance situations where varying, and often deeply personal, beliefs come into conflict with their policies. Evaluating requests and issues on a case-by-case basis is necessary to mitigate potential legal risks and effectively manage any workplace conflicts.”

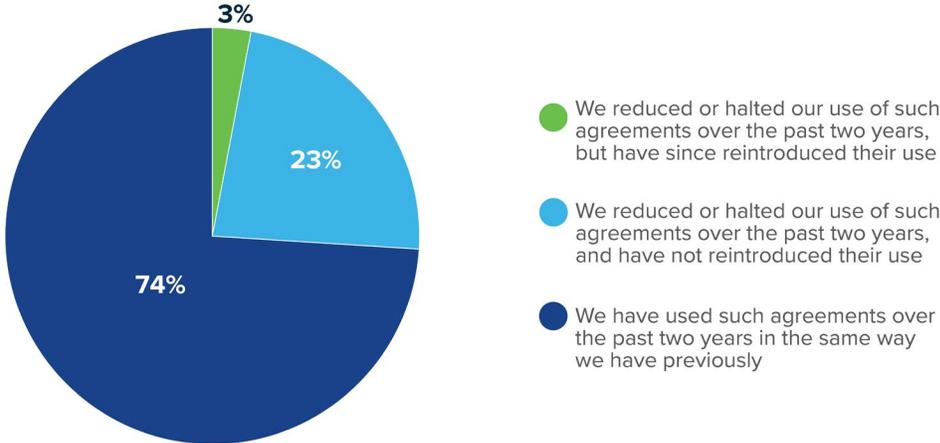
[Nancy N. DeLogu](#),
Littler shareholder



NON-COMPETE AGREEMENTS

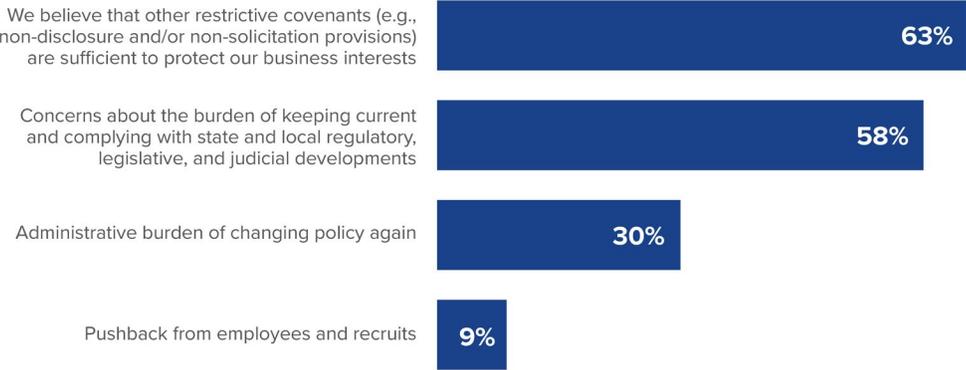
Which of the following best describes your organization’s approach to using non-compete agreements?

This question was only asked to those whose organizations use such agreements and/or have in recent years (which comprised 61% of respondents).



Which of the following represent reasons that your organization has not reintroduced non-compete agreements? (Select all that apply)

This question was only asked to those who reduced or halted use of non-competes and have not reintroduced their use.



After the Federal Trade Commission (FTC) effectively banned non-compete agreements last year, most employers took a “wait-and-see” approach before modifying their use of such agreements, according to Littler’s [2024 Employer Survey](#) (see page 10). With the FTC rule quickly mired in legal challenges and now [highly unlikely](#) to ever take effect, that strategy appears to have been effective.

Additionally, in February, NLRB Acting General Counsel William Cowen [rescinded](#) his predecessor’s memos attacking non-compete agreements—signaling a shift in the NLRB’s enforcement priorities in this area. Specifically, the rescission of these memos makes it less likely that a new NLRB general counsel will pursue complaints against employers based on the use of non-compete agreements.

Because many employers held off on making changes to their use of non-compete agreements last year, the long-term impact of the FTC rule appears minimal. Of those who have recently leveraged non-competes, nearly three-quarters (74%) never changed their use. When looking at large employers, an even higher percentage (82%) stayed the course while court battles played out. Just 26% of respondents who have recently used non-competes say their organizations reduced or halted their use over the last two years, and 3% have since reintroduced them.

Among those who reduced or halted their use of non-competes, 63% say that their organizations opted not to reintroduce them because other restrictive covenants—such as non-disclosure or non-solicitation provisions—are sufficient to protect their business interests. This may also explain the reasoning for the 39% of respondents whose organizations have not used non-competes in recent years.

At the same time, as more [states](#) introduce legislation restricting the use of non-competes, more than half of those who abandoned their use (58%) attribute this to concerns about ongoing compliance burdens. The administrative burden associated with changing policies was a factor for roughly a third (30%) of this group as well.

Perhaps surprisingly, given that non-competes are said to restrict employee mobility, only 9% called out pushback from employees and recruits as a reason for not reintroducing such agreements after reducing or halting their use. This could be a reflection of the job market, which has [noticeably cooled](#) since last year, giving job seekers less leverage to resist signing such agreements. Or it could be that regulatory and administrative considerations weigh more heavily on employers in establishing policies in this area.

“While a large portion of employers continue to use non-compete agreements to protect their trade secrets, proprietary information, and key business relationships, the federal and state regulatory activity over the last couple of years prompted some employers to explore other avenues that may offer similar levels of protection. Ultimately, however employers proceed, they should avoid taking a one-size-fits-all approach and ensure their agreements with employees are strategically tailored to the specifics of the individual’s role and carefully constructed for the maximum likelihood of enforceability.”

[James Witz](#) and [Melissa McDonagh](#),
Littler shareholders and co-chairs of the firm’s
[Unfair Competition and Trade Secrets Practice Group](#)





Methodology and Demographic Profile of Respondents

From late February to mid-March 2025, 349 professionals from a variety of industries completed The Littler® Annual Employer Survey via an online survey tool.

Respondents were based across the U.S. and included:

- Chief Legal Officer / General Counsel / Deputy General Counsel (19%)
- In-House Lawyers (40%)
- Chief Human Resources Officer / Chief People Officer (15%)
- HR Professionals (24%)
- Other C-suite title (2%)

Companies represented were of a variety of sizes:

- More than 10,000 employees (36%)
- 5,001 to 10,000 employees (10%)
- 1,001 to 5,000 employees (25%)
- 501 to 1,000 employees (8%)
- 101 to 500 employees (15%)
- 1 to 100 employees (6%)

Responses to some questions in the survey do not add up to 100% due to rounding, and some exceed 100% because respondents were invited to select more than one answer.

